

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5145
ANSWERED ON:10.12.2010
MECHANISM TO SAFEGUARD MARKET
Banerjee Shri Ambica

Will the Minister of FINANCE be pleased to state:

- (a) the existing mechanism to safeguard the market from hoarders and speculators;
- (b) whether members of the Planning Commission have recently stated their views in this regard: and
- (c) if so. the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) It is the constant endeavour of Securities and Exchange Board of India (SEBI) to prevent any form of price manipulation which is detrimental to the healthy functioning of the markets. SEBI keeps a constant vigil on the market, irrespective of the levels of the indices. It also undertakes market surveillance, inspections and investigations and takes enforcement measures where there is any breach of prescribed rules, regulations etc. Risk management mechanism comprising on-line monitoring and surveillance, various limits on positions, margin requirements, circuit filters, etc. put in place by exchanges under regulator's oversight of SEBI helps in curbing such activities, and makes the markets function efficiently. These mechanisms are reviewed continuously and modified to meet emerging needs. Hoarding is not associated with capital market.

(b) No. Sir.

(c) Does not arise, in view of reply to part (b) above.